



SHERYL L. SPILLER
Director

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 695-4801



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May 6, 2014

TO: Each Supervisor

FROM:  Sheryl L. Spiller, Director

**SUBJECT: INTENT TO NEGOTIATE SOLE SOURCE CONTRACTS FOR THE
PROVISION OF CALWORKS STAGE 1 CHILD CARE SERVICES**

In accordance with Board policy 5.100 on Sole Source contracts of \$250,000, or greater, this is to inform you that I intend to negotiate three-year non-competitive Child Care contracts for the provision of CalWORKs Stage 1 Child Care (S1CC) services with the following ten Resource and Referral (R&R)/Alternative Payment Program (APP) agencies: Child Care Resource Center, Inc., City of Norwalk, Connections for Children, Crystal Stairs, Inc., Drew Child Development Corporation, Inc., International Institute of Los Angeles, Mexican American Opportunity Foundation, Options – A Child Care Human Services Agency, Pathways LA, and Pomona Unified School District. The current contracts with the APP agencies will expire on June 30, 2015.

The S1CC contracts assist CalWORKs participants in obtaining child care services so that they may be actively engaged in required welfare-to-work activities and/or employment. The cost to fund all ten contracts for the period of July 1, 2015 through June 30, 2018 is estimated at \$270 million or \$90 million annually, funded by CalWORKs Single Allocation dollars.

The ten APP agencies have provided S1CC services under contract with the County since December 1998, while also providing Stage 2 Child Care (S2CC) and Stage 3 Child Care (S3CC) services under contract with the California Department of Education. CalWORKs participants are afforded seamless transition to S2CC and/or S3CC services when the County contracts with the same APP agencies for S1CC services. Additionally, California Education Code Section 8350(b) provides that all three Stages of child care services be provided through a seamless system such that CalWORKs families experience no breaks in their child care services due to transition between the three Stages of child care services.

Each Supervisor
May 6, 2014
Page 2

Contracts with the ten APP agencies are necessary for the seamless service delivery between Stages 1, 2 and 3. There are no other agencies in Los Angeles County that can adequately perform these functions. California Department of Social Services Purchase of Service regulations permits sole source contracts under such unique circumstances.

On June 19, 2012, the Board delegated authority to the DPSS Director to execute the current contracts with the APP agencies effective July 1, 2012 through June 30, 2015 at an estimated annual cost of \$83.6 million, funded through the CalWORKs Single Allocation. The current contracts were not the result of a competitive solicitation, but rather sole source negotiation.

The S1CC contractors have consistently provided quality and effective services. They continue to be viable partners in providing comprehensive support services that assist CalWORKs participants in achieving self-sufficiency. We will proceed to commence negotiations for the renewal of the sole source contracts unless otherwise instructed by the Board within two weeks.

SLS:KSJ

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer